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## U.S. Keeps Funding Tie to RFE

Associated Press

The Nixon administration ruled yesterday that Radio Free Europe and Radio Liberty "are not educational or private voluntary organizations" and an established policy of denying CIA financing to them therefore does not apply.

At the same time the administration—through a State Department spokesman—affirmed its intention to continue the policy that was worked out under the leadership of Nicholas DeB. Katzenbach, then Under Secretary of State, after a national blowup over CIA financial payments to student organizations and other groups.

Sen. Clifford P. Case (R-N.J.), said Saturday that Radio Free Europe and Radio Liberty, which beam programs into Communist Eastern Europe, had spent \$34 million in 1969 and that more than \$30 million of that had come from the Central Intelligence Agency.

Case called for an end to the secret subsidy and for direct, open financing of the stations through congressional action.

State Department press officer Robert J. McCloskey said the Katzenbach policy covers "the whole question of funding for domestic educational and private voluntary organizations."

As to how the stations have actually been funded or what their money supply might be in the future, McCloskey said "No comment."

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S. 11, S. 12, S. 13, S. 14, S. 15, AND  
S. 16--INTRODUCTION OF BILLS  
REPRESENTING A CONTINUATION  
OF MATTERS CONSIDERED BY  
THE SPECIAL SUBCOMMITTEE ON  
CRIMINAL LAWS AND PROCE-  
DURES DURING THE 91ST CON-  
GRESS

Mr. McCLELLAN. Mr. President, I introduce several items of legislation. Each represents a continuation of matters considered by the Special Subcommittee on Criminal Laws and Procedures during the 91st Congress. They are as follows:

First, S. 13, the Physical Evidence Act of 1971, which provides for the issuance of subpoenas for the limited detention of specified individuals for obtaining evidence of identifying physical characteristics in the course of certain criminal investigations, and for other purposes;

Second, S. 11 and, third, S. 12, alternative versions of the Wagering Tax Act Amendments of 1971, which would amend the Internal Revenue Code of 1954 to modify the provisions relating to taxes on wagering, to insure the constitutional rights of taxpayers, to facilitate the collection of such taxes, and for other such purposes;

Fourth, S. 14, the Student Disturbances Act of 1971, which would prohibit the disruption of federally assisted institutions of higher education, to provide for the enforcement of such prohibition, and for other purposes;

Fifth, S. 15, to amend title XII of the Organized Crime Control Act of 1970, to empower the Commission on Individual Rights to consider individual security, and for other purposes;

Sixth, S. 16, which would amend title IX of the Organized Crime Control Act of 1970, to provide for injunctive and other civil relief for those victimized by organized crime, and for other purposes.

Mr. President, each of these items of legislation is introduced as a study bill. I am not committed to their enactment in their present form or indeed to their enactment at all. I do expect, however, in the coming months of this Congress that the subcommittee will hold hearings on these and related matters. I shall also, at a later time, address the Senate separately on each of these items of legislation.

The PRESIDENT pro tempore: The bills will be received and appropriately referred.

The bills:

S. 11. A bill to amend the Internal Revenue Code of 1954 to modify the provisions relating to taxes on wagering to insure the constitutional rights of taxpayers, to facilitate the collection of such taxes, and for other purposes;

S. 12. A bill to amend the Internal Revenue Code of 1954 to modify the provisions relating to taxes on wagering to insure the constitutional rights of taxpayers, to facilitate the collection of such taxes, and for other purposes;

S. 13. A bill to amend title 18, United States Code, to provide for the issuance of subpoenas for the limited detention of particularly described or identified individuals for obtaining evidence of identifying physical characteristics in the course of certain criminal investigations, and for other purposes;

S. 14. A bill to prohibit the disruption of federally assisted institutions of higher edu-

cation, to provide for the enforcement of such prohibition, and for other purposes;

S. 15. A bill to amend title XII of the Organized Crime Control Act of 1970, and for other purposes; and

S. 16. A bill to amend title IX of the Organized Crime Control Act of 1970 to provide civil remedies to victims of activities prohibited by said title, and for other purposes, introduced by Mr. McCLELLAN, for himself and Mr. HENRICK, were read twice by their titles and referred to the Committee on the Judiciary.

ORDER FOR REFERRAL OF S. 11 and  
S. 12 TO THE COMMITTEE ON FI-  
NANCE FOLLOWING THEIR PRES-  
ENT REFERENCE

Mr. McCLELLAN subsequently said: Mr. President, I ask unanimous consent that when two bills which I introduced this morning, which are now at the desk, numbered tentatively, I believe, S. 11 and S. 12, shall have been considered and reported by the Committee on the Judiciary, to which I am advised they are now being referred, they be thereafter referred to and considered by the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 18--INTRODUCTION OF A BILL TO  
BRING RADIO FREE EUROPE AND  
RADIO LIBERTY UNDER CON-  
GRESSIONAL SCRUTINY

Mr. CASE. Mr. President, I introduce a bill to bring Radio Free Europe and Radio Liberty under the authorization, and appropriation process of the Congress.

During the last 20 years, several hundred million dollars in U.S. Government funds have been expended from secret CIA budgets to pay almost totally for the costs of these two radio stations broadcasting to Eastern Europe. In the last fiscal year alone, over \$30 million was provided by CIA as a direct Government subsidy; yet at no time was Congress asked or permitted to carry out its traditional constitutional role of approving the expenditure.

My bill would amend the U.S. Information and Educational Exchange Act of 1948 to authorize funds to Radio Free Europe and Radio Liberty in fiscal 1972. It would also provide that no other U.S. Government funds could be made available to either radio station, except under the provisions of the Information and Educational Exchange Act.

I plan to ask that those administration officials concerned with overseas information policies be called to testify before Congress on the financial needs of Radio Free Europe and Radio Liberty. Without committing myself to a particular level of funding, my proposal tentatively calls for an authorization of \$30 million. This figure would, of course, be subject to change as more information becomes available.

Radio Free Europe and Radio Liberty both claim to be nongovernmental organizations sponsored by private contributions, but available sources indicate direct CIA subsidies pay nearly all their costs. According to returns filed with Internal Revenue--form 990-A--

their combined operating costs for fiscal 1969 were almost \$34 million--\$21,109,935 for Radio Free Europe and \$12,937,401 for Radio Liberty.

Under the auspices of the Advertising Council, Radio Free Europe conducts a yearly, multimedia "advertising" campaign.

I have been advised that between \$12 million and \$20 million in free media space is donated annually to this campaign while the return from the public is apparently less than \$100,000. Additionally, both Radio Free Europe and Radio Liberty attempt to raise money from corporations and foundations, but contributions from these sources reportedly pay only a small part of their total budgets.

The bulk of Radio Free Europe's and Radio Liberty's budgets, or more than \$30 million annually, comes from direct CIA subsidies. Congress has never participated in authorization or appropriations of funds to Radio Free Europe or Radio Liberty, although hundreds of millions of dollars in Government funds have been spent during the last 20 years.

I can understand why covert funds might have been used for a year or two in an emergency situation when extreme secrecy was necessary and when no other Government funds were available. But the justification for covert funding has lessened over the years as international tension has eased, as the secrecy surrounding these radio stations has melted away, and as more open means of funding could have been developed. In other words, the extraordinary circumstances that might have been thought to justify circumvention of constitutional processes and congressional approval no longer exist.

In fact, after disclosure in 1967 of CIA funding of the National Student Association, a Presidential committee made up of John Gardner, then Secretary of Health, Education, and Welfare, Richard Helms, then and now Director of CIA, and Nicholas Katzenbach, then Under Secretary of State, recommended that "no Federal agency shall provide covert financial assistance or support, direct or indirect, to any of the Nation's educational or voluntary organizations"--and that "no programs currently would justify any exception to this policy." On March 29, 1967, President Johnson accepted the committee's recommendations and directed they be implemented by all Federal agencies.

Legislation similar to my proposal will shortly be introduced in the House of Representatives by Congressman OGDEN R. RICH of New York.

I ask unanimous consent to have the bill printed at this point in the Record.

The PRESIDENT pro tempore: The bill will be received and appropriately referred; and, without objection, the bill will be printed in the Record.

The bill (S. 18) to amend the U.S. Information and Educational Exchange Act of 1948 to provide assistance to Radio Free Europe and Radio Liberty, introduced by Mr. CASE, was received, read twice by its title, referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

## OUTLAY URGED FOR STATIONS

### Radio Free Europe Now In CIA Sphere, Case Warns

By PETER J. KUNIPA

Washington Bureau of The Sun

Washington, Jan. 23—Senator Clifford P. Case (R., N.J.) announced today that he will introduce legislation Monday to provide for open congressional financing of Radio Free Europe and Radio Liberty.

Mr. Case explained that, if approved, the legislation would remove the stations from the need for secret funds from the Central Intelligence Agency. He said that in the last fiscal year, the CIA provided a direct subsidy of \$30 million to the stations which broadcast to the Soviet Union and five Eastern European Communist countries.

Although both Radio Free Europe and Radio Liberty claim to be non-governmental organizations sponsored by private contributions, the senator said that "available sources" indicate the CIA pays almost all their costs.

#### Produces Tax Returns

He produced figures from returns filed with the Internal Revenue Service showing that the combined operating costs for the stations in fiscal 1969 was almost \$34 million (\$21,109,935 for Radio Free Europe and \$12,837,401 for Radio Liberty).

Though a national advertising campaign under the auspices of the Advertising Council uses somewhere between \$12 and \$20 million in free media space to solicit contributions for the stations, Mr. Case said, returns from the public amount to less than \$100,000.

The stations raise the rest of their budgets from corporate and foundation contributions, he said.

"Congress has never partici-

pated in authorization or appropriations of funds to Radio Free Europe or Radio Liberty, although hundreds of millions of dollars in government funds have been spent during the last 20 years," Senator Case said.

"I can understand why covert funds might have been used for a year or two in an emergency situation when extreme secrecy was necessary and when no other government funds were available," he went on.

#### Lessening Of Tension

But now, the senator asserted, with the lessening of international tension and with the melting of secrecy, some means of open financing of the stations should have been provided.

"In other words, the extraordinary circumstances that might have been thought to justify circumvention of constitutional processes and congressional approval no longer exist," Senator Case said.

The senator was not critical of the work of the stations, both which have their main offices and studios in Munich, Germany. His legislation, in fact, would authorize \$30 million for continuation of their work. He simply wants Congress to supervise the spending of tax payers' money.

Radio Free Europe, started in 1950, broadcasts to Bulgaria, Hungary, Poland, Czechoslovakia and Romania. Radio Liberty, opened a year later, concentrates only on the Soviet Union. In 1956, Radio Free Europe was criticized for raising false hopes of help for the Hungarian rebels. Since then, the stations have been his controversial.

Informed congressional sources have no doubts about the close tie-up between the stations and the government.

A full-time liaison officer from

the consulate in Munich is assigned to go over program content to make it conform to U.S. government policy, they point out. Because classified as well as unclassified government information is provided, security personnel check out the stations, the same sources report.

Further, they say U.S. embassy officials from Eastern Europe get briefings at Radio Free Europe. The station, in turn, uses the coded communications of the Munich consulate to keep in touch with Washington, the sources report.

Though their studios are in Germany, the transmitters for the stations are in Spain, Portugal and Taiwan, all countries with special arrangements with the United States, the sources report.

#### 1937 Panel's Finding

In 1937, after disclosures of CIA financing of the National Student Association, a presidential committee made up of John Gardner, then Secretary of Health, Education and Welfare, Richard Reins, CIA director, and Nicholas de B. Ratzenbach, then under secretary of State, recommended that no federal agency should provide covert funds for any of the nation's "educational or voluntary organizations."

President Johnson accepted the committee's recommendations. On March 29, 1937, he ordered all federal agencies to implement them.

Senator Case's bill, similar to one shortly to be introduced in the House by Representative Ogden R. Heid (R., N.Y.), would provide funds for the stations out of the Informational and Educational Exchange Acc. It would forbid funding by any other government channel.

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# Case Would Bar C.I.A. Aid For Radio Free Europe

By BENJAMIN WELLES

Special to The New York Times

WASHINGTON, Jan. 23—Senator Clifford P. Case, Republican of New Jersey, charged today that the Central Intelligence Agency had spent several hundred million dollars over the last 20 years to keep Radio Free Europe and Radio Liberty functioning.

Mr. Case, a member of the Appropriations and Foreign Relations Committees, said that he would introduce legislation Monday to bring Government spending on the two stations under the authorization and appropriations process of Congress. Representative Ogden R. Reid, Republican of Westchester, said today that he would introduce similar legislation in the House.

Radio Free Europe, founded in 1950, and Radio Liberty, formed a year later, both have powerful transmitters in Munich, West Germany, staffed by several thousand American technicians and refugees from Eastern Europe.

Radio Liberty broadcasts only into the Soviet Union, Radio Free Europe to other Eastern European countries except Yugoslavia.

Both organizations have offices in New York and purport to be privately endowed with funds coming exclusively from foundations, corporations and the public. Both, however, are extremely reticent about the details of their financing.

Senator Case noted in a statement that both Radio Free Europe and Radio Liberty "claim to be nongovernmental organizations sponsored by private contributions." However, he went on, "available sources indicate direct C.I.A. subsidies pay nearly all their costs."

The Senator said that the Central Intelligence Agency provided the stations with \$30 million in the last fiscal year without formal Congressional approval.

## Disclosures Restricted

Under the Central Intelligence Agency's operating rules, its activities—such as covert funding—are approved by the

National Security Council. However, disclosure to Congress is limited to a handful of senior legislators on watchdog committees of each house.

The Central Intelligence Agency and Radio Free Europe both declined to comment today on Senator Case's statement. Efforts to elicit comment from Radio Liberty were unavailing.

Covert C.I.A. funding of the two stations has, however, been an open secret for years, although the C.I.A., in accordance with standing policy, and the two stations themselves have consistently refused to discuss either their operations or their funding.

Citing returns filed with the Internal Revenue Service in the 1969 fiscal year, Mr. Case said that the stations' combined operating costs that year totaled \$33,997,336. Of this, he said, Radio Free Europe spent \$21,109,935 and Radio Liberty \$12,887,401.

Funds Sought by Advertisement  
"The bulk of Radio Free Europe's and Radio Liberty's budgets, or more than \$30-million annually, comes from direct C.I.A. subsidies," Mr. Case charged. "Congress has never participated in authorization of appropriations of funds to R.F.E. or R.L., although hundreds of millions of dollars in Government funds have been spent during the last 20 years."

Mr. Case pointed out that Radio Free Europe conducted a yearly campaign for public contributions under the auspices of the Advertising Council. Between \$12-million and \$20-million in free media space is donated annually to this campaign, he said, but the return from the public is "apparently less than \$100,000."

Furthermore, he said, both stations attempt to raise money from corporations and foundations but contributions from these sources reportedly pay only a small part of the stations' total budgets.

Senator Case said that his proposed legislation would seek to amend the United States Information and Educational Exchange Act of 1943 to authorize funds for both stations in the fiscal year beginning next July 1. His proposal would call for an initial sum of \$30-million, but he said that the sum would be subject to change.

## Bar on Other Funds

At the same time, Mr. Case said, his proposal would provide that "no other" United States Government funds could be made available to either station except under the provisions of the act. He also said that he would ask that Administration officials concerned with overseas information policies be called to testify in order to determine the amount needed for the stations' operations. "I can understand why covert funds might have been used for a year or two in an emergency situation when extreme secrecy was necessary, and when no other Government funds were available," Mr. Case said.

But, he went on, the justification for covert funding has lessened over the years as international tension has eased, as the secrecy surrounding the stations has "melted away," and as more open means of funding could be developed.

"In other words," he said, "the extraordinary circumstances that might have been thought to justify circumvention of constitutional processes and Congressional approval no longer exist."

## John Created XXX

Mr. Case pointed out that in 1967, after there had been public disclosure that the C.I.A. had been secretly funding the National Student Association, President Johnson created a committee that was headed by Nicholas de B. Katzenbach, the Under Secretary of State, and that included Richard Helms, head of the C.I.A., and John W. Gardner, the Secretary of Health, Education and Welfare.

He further noted that on March 29, 1967, Mr. Johnson publicly accepted the committee's recommendation that "no Federal agency shall provide covert financial assistance or support, direct or indirect, to any of the nation's educational or voluntary organizations" and that "no programs currently would justify any exceptions to this policy."

People familiar with the operations of Radio Free Europe and Radio Liberty noted that both had been started at the peak of the Cold War and had just "gone rolling on" ever since. "The committee, some sources said, had cut off covert funding from virtually all other recipients."

"They solved all the tough ones," one source said, "but they were under such pressure from Johnson to get their report out and get the heat from Congress and the public cut off that they didn't solve the funding of the stations. They turned it over to another committee."

The second committee, whose members these sources declined to identify, worked over a year and then turned in secret recommendations to Mr. Johnson. However, Mr. Johnson pigeonholed the recommendations and finally left the problem for the incoming Nixon Administration to solve, the sources said.

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